

THE MUTUAL REVIEW of Development Effectiveness in Africa: Promise & Performance

A joint report by the Economic Commission
for Africa and the Organisation for Economic
Co-operation and Development

2009



Economic Commission
for Africa



OECD

THE MUTUAL REVIEW of Development Effectiveness in Africa: Promise & Performance

The 2009 Mutual Review of Development Effectiveness in Africa: Promise and Performance has been jointly prepared by the United Nations Economic Commission for Africa (UNECA) and the Organisation for Economic Co-operation and Development (OECD) in close consultation with the NEPAD Secretariat. This report is underpinned by annexes containing more detailed analyses on each of the fifteen focus issues. The annexes of the report are available at: www.uneca.org or at www.oecd.org/apf

2009



THE MUTUAL REVIEW of Development Effectiveness in Africa: Promise & Performance

A joint report by the Economic Commission
for Africa and the Organisation for Economic
Co-operation and Development

Contents

Executive Summary	6
PART I: OVERVIEW AFRICAN PROGRESS AND CHALLENGES	
■ SUSTAINABLE ECONOMIC GROWTH	10
■ INVESTING IN PEOPLE	14
■ GOOD GOVERNANCE	18
■ DEVELOPMENT FINANCE	21
■ KEY CROSS-CUTTING ISSUES	24
PART II: FOCUS ISSUE SUMMARIES	
■ TOPIC I: SUSTAINABLE ECONOMIC GROWTH	
• Agriculture	28
• Trade and diversification	30
• Infrastructure	32
• Regulatory and institutional environment for the private sector	34
• Environmental sustainability and climate change	36



■ **TOPIC II: INVESTING IN PEOPLE**

- Education
- Health
- Gender

■ **TOPIC III: GOOD GOVERNANCE**

- Political governance
- Economic governance
- Peace and security

■ **TOPIC IV: FINANCING FOR DEVELOPMENT**

- Domestic public resources for development
- Foreign direct investment and other private financial flows
- Development assistance
- External debt

PART III: APPENDICES

CHARTS AND FIGURES

- The Millennium Development Goals 60
- Development finance: overview tables 61
- The Global Outlook 61

LIST OF ACRONYMS

62

KEY REFERENCES

64

ACKNOWLEDGEMENTS

66

38

40

42

44

46

48

50

52

54

56

Preface

In September 2000, the entire international community adopted the Millennium Development Goals (MDGs) an expression of its commitment to development and poverty eradication. Following this, both African governments and their development partners entered into a series of commitments, designed to help make progress towards the achievement of these goals. In 2003 African leaders asked the UN Economic Commission for Africa and the OECD to undertake periodic reviews of progress in delivering these commitments, as an exercise in monitoring and mutual accountability.

This is the second such review, undertaken jointly by our two institutions during the second half of 2008. We are conscious that it takes place at a particularly critical moment. We are now past the halfway point between the adoption of the MDGs in 2000, and the target date of 2015 for the achievement of the goals. There is growing interest in whether existing commitments are being delivered, and whether they are producing results. We are also at a point where the global economy has entered a severe slowdown, which is affecting all regions, and which poses a severe risk of setting back progress towards the MDGs. These developments are leading to a fundamental re-evaluation of the way in which the international system needs to operate.

Against this background, the review is both an exercise in ‘mutual accountability’—assessing what has been done to deliver commitments, and a review of ‘development effectiveness’—assessing what results have been achieved. It is also intended to be of practical use to political leaders in looking forward to the key policy challenges ahead.

Our main findings are set out in the report which follows, and in the supporting annexes. We have looked at the picture for Africa as a whole, whilst recognising that there is a large degree of variation within this. We find that much has been done on both sides of the partnership to deliver mutual commitments across a very broad range of public policy, though there are areas where more needs to be done on both sides. We note that many positive results have been achieved, and that these are often at risk of being overlooked, but that enormous challenges remain if Africa is to accelerate progress towards the MDGs.

Looking ahead, the development process in Africa must continue to be led by African governments and their peoples. But it is also inextricably linked to what happens in the wider global economy. Issues such as climate change and trade are critical to Africa’s development prospects, and are re-defining what is required of Africa’s development partners in today’s world. Together with the overarching objectives set out in the MDGs, they represent the key collective action challenges of our generation.

We call on African governments

- To continue with the agenda for political and economic reform set out in the 'New Partnership for Africa's Development' in 2001, and subsequently endorsed and elaborated by the African Union;
- To intensify efforts to direct the benefits of economic growth and larger government revenue to the achievement of the MDGs; and
- To intensify efforts to promote collective regional action on key political and economic issues, together with accelerated regional economic integration.

We call on development partners and the wider international community

- To take full account of Africa's interests in international negotiations during 2009 both on multilateral trade arrangements, and a post-Kyoto Protocol framework;
- To respond positively to Africa's claim for stronger

representation in discussions on wider systemic issues, including the reform of the international financial architecture and international financial institutions; and

- To deliver existing commitments to increase the volume and improve the effectiveness of official development assistance by 2010.

Finally, we are grateful to NEPAD Heads of State and Government for the remit they have given to our two institutions to work together on this report. We are also grateful to the NEPAD Secretariat for their collaboration and support in this exercise. We believe that the collaborative process has been a valuable one, and suggests a model for how mutual accountability mechanisms might work more generally, particularly as we approach the MDG Review Summit of 2010.

We commend the report to African leaders, and their development partners.



Abdoulaye Jannet
Executive Secretary
UN Economic Commission for Africa (ECA)



©OECD Photo/Sylvia Thompson

Angel Gurría
Secretary-General
Organisation for Economic Co-operation and Development (OECD)

Executive Summary



© Curt Carnemark/World Bank

Following the adoption of the Millennium Development Goals (MDGs) in 2000, both **African governments** and their **development partners** entered into a series of mutual commitments designed to promote the achievement of the goals in Africa. These commitments were embodied in the 'New Partnership for Africa's Development' (NEPAD) launched by African leaders in 2001 and in subsequent declarations by the African Union, and in the responses which followed from development partners including as parties to wider international agreements such as the Monterrey Consensus, as well as in fora such as the European Union and the G8. In 2003 African leaders asked the UN Economic Commission for Africa (UNECA) and the OECD to undertake periodic joint reviews assessing the delivery of these commitments.

This is the second such review. It has been undertaken jointly by task teams from UNECA and OECD, in close consultation with the NEPAD Secretariat, and with inputs from African and international institutions and civil society.

It is intended to answer 4 basic questions:

- **What are the main commitments which have been made by Africa and its development partners?**
- **Have these been delivered?**
- **What have the results been?**
- **What are now the key future policy priorities?**

IDENTIFYING COMMITMENTS:

We find that the commitments fall into four main areas.

African governments committed themselves to promoting economic growth, investing in the development of their people, ensuring good governance, and mobilizing both public and private resources. **Development partners** reciprocated with commitments designed to support Africa's efforts in all these areas. This provides the basic framework for our report.

We focus on commitments made by political leaders collectively, as distinct from national governments individually. In some cases these were broad expressions of policy. In others, they were specific resource commitments relating for instance to domestic budgetary allocations, or levels of development assistance. We have not attempted either to 'name and praise', or to 'name and shame', though we do in some places use case studies to illustrate wider points. Our approach has been to look at overall performance, recognising that underlying this there is a large degree of variation between individual countries, and inevitable exceptions to any general statement.

DELIVERY:

Much has been done on both sides of the partnership to deliver mutual commitments. **Africa** has made good progress on its commitments to promoting growth, investing in the health and education of its people, improving governance and mobilizing resources.

Development partners have scaled up their financial and technical assistance. But in all these areas more needs to be done on both sides to meet existing commitments, as we set out in more detail in the report. The major collective failure on the part of the wider international community over this period has undoubtedly been the failure to deliver agreement on multilateral trade negotiations, which remains an area of vital interest to Africa.

RESULTS:

Some positive results have been achieved, which are often at risk of being overlooked. Africa has achieved strong and sustained economic growth, outpacing global per capita growth since 2001 after lagging behind for two decades, and helping to reduce the proportion of its population living on less than US\$1 a day. Multi-party democracy has taken a stronger hold, and the number of state-based armed conflicts has been reduced. There has been significant progress towards the MDG goal of universal primary education. However the picture on other MDGs, particularly maternal mortality, is deeply worrying, and on present trends, no country in Africa will meet all the MDGs by 2015. There is a need to scale up efforts to improve governance including by consolidating the trend to multiparty democracy. Stronger action needs to be taken to resolve long running conflicts which continue to cause immense human suffering in the continent. Capacity shortages remain a key constraint in all areas.

EMERGING CHALLENGES:

The challenge of achieving sustained and sustainable development in Africa is not a separate and self-contained issue. It is inextricably linked to what happens in the wider global economy. Africa has already been significantly affected by the food and fuel price shocks of 2008. It is being affected now by the downturn in the global economy and has a vital interest in the new international arrangements for global economic management which will need to emerge. And although it is the region which contributes least to the problem of climate change, it will be profoundly affected by the consequences, and has a major stake in the forthcoming negotiations on a new post-Kyoto framework. These factors are redefining what is required of Africa's development partners.

POLICY PRIORITIES:

We identify three over-arching policy priorities for **African governments**:

- Continuing with the agenda for political and economic reform set out in the NEPAD founding statement in 2001, and subsequently endorsed and elaborated by the African Union;
- Intensifying efforts to direct the benefits of economic growth and larger government revenue to the achievement of the MDGs; and
- Intensifying efforts to promote regional integration and to develop regional infrastructure.

Similarly, we identify three over-arching policy priorities for **development partners** and the wider international community:

- Taking full account of Africa's interests in major forthcoming international negotiations during 2009 both on multilateral trade arrangements, and a post-Kyoto Protocol framework;
- Ensuring that Africa has a larger voice in discussions in 2009 on wider systemic issues, including the reform of the international financial architecture and international financial institutions; and
- Delivering existing commitments to increase the volume and improve the effectiveness of official development assistance by 2010.

STRUCTURE OF THE FULL REPORT, ANNEXES, AND SUPPORTING INVENTORY OF COMMITMENTS:

- A **main report** (this document) composed of brief overviews of the four main topics, and key cross-cutting issues, followed by a series of 2-page summaries of fifteen 'focus issues'
- An extended version of the report, including a series of **annexes** containing fuller detail on each of the fifteen focus issues. This is available for download at www.uneca.org and www.oecd.org/apf
- A comprehensive **inventory of commitments**—Commit4Africa—made by African governments and their development partners since 2002. Available at www.commit4africa.org, the inventory will be kept up to date as a permanent resource for policy makers and the wider public.